

# Exhibit 4

## **2024 Management Fee Agreement**

This Management Fee Agreement ("Agreement") is entered into on January 1st, 2024, between Pino Tree Service Inc., a California corporation with its principal place of business at 686 E. Mill St. 2nd FL, San Bernardino, CA 92408 (hereinafter referred to as the "Subsidiary"), and The Original Mowbray's Tree Service Inc., a California corporation with its principal place of business at 686 E. Mill St. 2nd FL, San Bernardino, CA 92408 (hereinafter referred to as the "Parent Company").

### **Services:**

The Parent Company agrees to provide the following management services to the Subsidiary:

- Director, CFO, and BOD Secretary Services: This includes financial oversight, strategic financial planning, budgeting, financial reporting, analysis of financial data, risk management, and advising on financial and operations decisions.
- Fleet Management Consulting: This includes strategic planning for fleet operations, optimizing fleet efficiency, vehicle maintenance scheduling, procurement and disposal of fleet assets, compliance with regulatory requirements, and overall management of the fleet. These services are provided by the following individuals:
  - Director of Fleet Services & Procurement
  - Fleet Services Manager
  - Lead Mechanic
- DMV Services (Licenses and Registration for equipment leased by the parent company to the subsidiary)
- A team of 6 mechanics at 171 Waterman yard base.
- Headquarters office rent and utilities.
- Storage of vehicles at the following locations:
  - 171 S Waterman Ave, San Bernardino, CA 92404
  - 17332 Millwood Dr, Visalia, CA 93292
- Human Resources consulting: This includes assistance with employee relations, performance management, providing advice in recruitment and hiring processes, development of HR policies and procedures, compliance with employment laws and regulations, and general HR advisory services.
- Payroll Consulting and Processing (excluding payroll fees): This includes consulting on payroll processes, compliance with payroll laws and regulations, assistance with payroll software, payroll tax calculations, and overall payroll administration.
- Health and Other Benefits administration: This includes management of employee health benefits, retirement plans, and other employee benefits. The management team will collaborate to administer these benefits, ensuring compliance with regulations, coordinating enrollment and changes, managing vendor relationships, and providing employees with support and information regarding their benefits.
- IT Support: This includes Network and Infrastructure management, Hardware and Software procurement and control, systems administration, help desk support as well as user training. (all external services such as subscriptions, licensing, and cybersecurity services among others are not included in the management fees).

**Management Fee:**

In consideration for the services provided by the Parent Company, the Subsidiary agrees to pay the Parent Company a management fee (the "Management Fee") in accordance with the terms and conditions set forth in this Agreement.

**Amount and Payment:**

The Management Fee shall be calculated as follows: 35% of average management team's salaries + 25% tax and benefits share of:

1 Fleet Director

1 Fleet Manager

1 Lead Mechanic

6 Mechanics

1 Corporate secretary

1 Group Director (Executive CEO of parent organization)

1 CFO

1 IT Specialist

1 Procurement

The specific employees considered for the Management Fee may vary depending on the companies' needs. This means that the pool of administrative management staff could increase or decrease as necessary to meet operational requirements.

The Management Fee, set at a base of \$53,500.00 per month, will be paid monthly in arrears, within 30 days following the end of each month, unless mutually agreed upon otherwise in writing. This base fee is subject to adjustment should additional support be required to maintain the operations of the subsidiary.

**Quarterly Adjustment:**

The percentage calculation for the Management Fee will be updated quarterly based on the revenue percentage shared between Pino Tree Service Inc. and The Original Mowbray's Tree Service Inc. If both companies share 50% of the grand total revenue, then the Management Fee will be calculated at 50% for Pino. This adjustment ensures that the Management Fee accurately reflects the proportion of services rendered in relation to the revenue contribution of each company.

**Term:**

This Agreement shall commence on 01/01/2024 and shall continue in effect until terminated by either party upon 30 days prior written notice.

**Tax Considerations:**

Both parties agree to comply with all applicable tax laws and regulations regarding the payment and reporting of the Management Fee. Each party shall be responsible for its own taxes arising from this Agreement.

**Governing Law:**

This Agreement shall be governed by and construed in accordance with the laws of the state of California.

**Entire Agreement:**

This Agreement constitutes the entire understanding and agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, negotiations, and understandings, whether written or oral, relating to such subject matter.

**Indemnification:**

Each party agrees to indemnify, defend, and hold harmless the other party, its affiliates, officers, directors, employees, agents, and representatives from and against any and all claims, liabilities, damages, losses, costs, expenses, or fees (including reasonable attorneys' fees) arising out of or related to any breach of this Agreement or any negligent or wrongful act or omission of the indemnifying party.

**Limitation of Liability:**

In no event shall either party be liable to the other party for any indirect, consequential, punitive, incidental, special, or exemplary damages arising out of or in connection with this Agreement, even if advised of the possibility of such damages.

**Confidentiality:**

Both parties agree to maintain the confidentiality of any proprietary or sensitive information disclosed during the course of this Agreement and not to disclose such information to any third party without the prior written consent of the disclosing party.

**Termination:**

Either party may terminate this Agreement upon 30 days prior written notice from board of directors to the other party. In the event of termination, the Subsidiary shall pay any outstanding Management Fees up to the date of termination.

**Dispute Resolution:**

Any dispute arising out of or relating to this Agreement shall be resolved through mediation, administered by a mutually agreed-upon mediator, before resorting to arbitration or litigation.

**Assignment:**

Neither party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party.

**Severability:**

If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions shall remain in full force and effect.

**Amendment:**

This Agreement may only be amended or modified by a written instrument signed by both parties.

**Notice:**


Any notice or communication required or permitted under this Agreement shall be in writing and shall be deemed effective when delivered personally or sent by certified mail, return receipt requested, or by overnight courier to the addresses specified herein.

**Waiver:**

The failure of either party to enforce any provision of this Agreement shall not constitute a waiver of such provision or any other provision herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**Pino Tree Service Inc.**

By:  \_\_\_\_\_

Name: Ruben Sainos

Title: Chief Financial Officer

Date: 2024-01-22

**The Original Mowbray's Tree Service Inc.**

By:  \_\_\_\_\_

Name: Richard Mowbray

Title: President

Date: 7/8/24